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Item 3 of the provisional agenda

Specific actions related to the particular needs and problems of land-locked developing countries

Note by the UNCTAD secretariat

1. In paragraph 10 of General Assembly resolution 48/169, the Secretary-General was requested to convene another meeting of governmental experts from developing land-locked and transit developing countries along with representatives of donor countries and financial and development institutions to review the progress in the development of transit-transport systems and to recommend further action and to report to the Trade and Development Board and to the General Assembly at its fiftieth session. The meeting was held under the auspices of UNCTAD from 19 to 22 June 1995 at the United Nations Headquarters in New York. The meeting adopted a Global Framework for Transit-Transport Cooperation between Land-locked and Transit Developing Countries and the Donor Community which appears in annex I to the Report of the Meeting (TD/B/42(1)/11 - TD/B/LDC/AC.1/7) which is before the Board for its consideration.

2. The Board may wish to endorse the conclusions and recommendations contained in the above Global Framework, which outlines actions that should be taken by the land-locked and transit developing countries at both the national and subregional levels to further improve the transit-transort systems. This Global Framework also elaborates the role of external assistance in this regard. The Board may also wish to support the request made in the Framework to the UNCTAD secretariat and the regional economic commissions regarding their role in promoting the implementation and follow up of the recommendations outlined in the Framework.

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3. Pursuant to paragraph 12 of the same resolution, the Secretary-General of UNCTAD was invited to organize, in collaboration with the Administrator of the UNDP and the Executive Heads of the regional economic commissions, a Symposium for Land-locked and Transit Developing Countries, to address regional-specific problems in improving the efficiency of transit-transport operations. The Symposium was held from 14 to 16 June 1995 at the United Nations Headquarters in New York. The outcome of the Symposium, which constituted proposals for the development of a Global Framework for Transit-Transport Cooperation, was submitted to the above-mentioned intergovernmental meeting. As part of the preparations for the Symposium, the UNCTAD secretariat requested information from land-locked and transit developing countries and relevant intergovernmental and subregional organizations regarding the particular problems they face in promoting efficient transit-transport systems. The replies received are summarized in a report which is also before the Board for consideration (TD/B/42(1)/14).

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SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF LAND-LOCKED DEVELOPING COUNTRIES

Progress report by the UNCTAD secretariat

GE.95-52444

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INTRODUCTION

1. In paragraph 17 of its resolution 48/169, the General Assembly welcomed the reports of the Secretary-General of the United Nations and of the Secretary-General of UNCTAD on specific action related to the specific needs and problems of land-locked developing countries (A/48/487) and requested the latter to prepare another report, taking into account the provisions of the above resolution, for submission to the General Assembly at its fiftieth session. In accordance with Conference resolution 137(VI), the report is being submitted to the General Assembly through the Trade and Development Board.

I. ACTIVITIES OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

A. Evaluation of the transit systems of land-locked and transit developing countries

2. In paragraph 10 of its resolution 48/169, the General Assembly requests the Secretary-General of UNCTAD to make an evaluation of the transit systems of the land-locked and transit developing countries. The purpose of this evaluation was to serve as a basis for the review of the progress in the development of the transit systems which was undertaken by the Second Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial Development Institutions called for by the General Assembly in the same paragraph of the resolution. The results of this evaluation are outlined in the documentation for the above meeting contained in annex III of the report of the meeting which is before the Board for consideration and will be submitted to the General Assembly at its fiftieth session (TD/B/42(1)/11 - TD/B/LDC/AC.1/7).

B. Symposium for land-locked and transit developing countries

3. In paragraph 12 of General Assembly resolution 48/169, the Secretary-General of UNCTAD is invited to organize, in collaboration with the Administrator of UNDP and the executive heads of the regional commissions, a symposium for land-locked and transit developing countries to address specific regional problems in improving transit transport systems. The preparations for this symposium, which took place from 14 to 16 June 1995 in New York, involved the following key activities.

4. The UNCTAD secretariat fielded several experts in Africa and Asia who carried out comprehensive analyses of the specific actions being taken at the national and subregional levels to develop and improve the transit transport systems and made recommendations for future work. These regional studies were supplemented by the ongoing work of the UNCTAD's secretariat related to the particular needs and problems of land-locked and transit developing countries, as well as by contributions from the regional economic commissions, the UNDP, the World Bank and the regional development banks. Summaries of these contributions, as well of those of replies received from individual land-locked and transit developing countries and relevant international and intergovernmental organizations are given in section II below. These summaries were submitted to the Symposium in document UNCTAD/LLDC/SYMP/2 and Add.1.1/

1/ For the list of the key documents before the Symposium, see annex III of the above mentioned report of the intergovernmental meeting.

5. The 32 land-locked and transit developing countries which participated in the Symposium2/ agreed on a range of proposals for the development of a global framework for transit transport cooperation. These proposals covered the key areas in the transit transport sector, namely, rail and road transit traffic, port facilities and services, inland waterways, airfreight and communications. Proposals for donor support to the sector were also elaborated. The conclusions and recommendations for appropriate action in the above areas which were agreed upon by the Symposium were further discussed with the development partners in the intergovernmental meeting of experts referred to in paragraph 2 above, which finally adopted a "Global Framework for Transit Cooperation between the Land-locked and Transit Developing Countries and the Donor Community". This Framework, which is annexed to the report of the Meeting, represented a major breakthrough towards the establishment of triangular arrangements for an efficient and self sustainable transit transport cooperation.

C. Other UNCTAD activities

6. As part of its technical cooperation activities on behalf of land-locked and transit developing countries, UNCTAD continued to implement three subregional transit transport technical assistance projects in West/Central, East/Central and Southern Africa. Because of the financial problems of the funding agencies, these activities, however, mainly focussed on the assessment of the results which had been achieved during the previous years of the projects. This assessment was used as a basis for the terminal reviews of the projects which were undertaken in the second half of 1994.

7. The beneficiary countries of the above projects highly commended the work of the projects and their positive impact on the improvement of the transit transport systems and urged donor institutions to seriously consider providing resources for the reactivation of the activities of the projects. The UNCTAD secretariat was requested to play a catalyst role in mobilizing this support. Since then, contacts with various funding agencies have been established in this regard, and detailed future work programmes have been elaborated. The above mentioned intergovernmental meeting of experts with donors underscored the importance of reviving these projects and it is expected that this endorsement will lead to a favourable response to the current efforts by the UNCTAD secretariat to mobilize resources that are required to set a new technical assistance programme in motion.

II. CONTRIBUTIONS BY INDIVIDUAL COUNTRIES, AND BY INTERNATIONAL AND INTERGOVERNMENTAL ORGANIZATIONS

A. Summaries of replies received from individual countries

Argentina

8. In addition to the Paraguay-Parana waterway transport agreement of 30 June 1992 between Argentina, Bolivia, Brazil, Paraguay and Uruguay, the transit

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2/ Afghanistan, Benin, Bolivia, Brazil, Bhutan, Cameroon, China, Congo, Eritrea, Ethiopia, Guinea, India, Iran (Islamic Republic of), Kazakhstan, Kenya, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Malawi, Mali, Mongolia, Namibia, Nepal, Niger, Nigeria, Pakistan, Paraguay, Rwanda, Thailand, Togo, Uganda and Uzbekistan.

transport of Bolivia and Paraguay with Argentina is governed by the following agreements:

(a) with Bolivia
  (i) border traffic agreement (17 September 1937)
  (ii) agreement establishing a mixed commission for border traffic (18 July 1970); and
  (iii) Santa Cruz-Trinidad railway agreement (31 December 1970)

(b) with Paraguay
  (i) border waterway transport agreement (31 July 1972)
  (ii) land transport agreement (30 October 1992)

Burkina Faso

9. Burkina Faso co-operates with the neighbouring transit countries in the framework of bilateral and subregional transit agreements and arrangements. The Heads of State of ECOWAS signed two conventions designed to regulate transit operations, namely the "Convention sur le transport routier inter Etats" (TIE) (Inter-States Road Transport Convention) and the "Convention sur le transit routier inter-Etats" (TRIE) (Inter-States Road Transit Convention). At the national level, Burkina Faso is undertaking measures to improve the transit systems, including the reduction of road tolls and other controls. At the bilateral level, it has supported coordinated efforts to reduce transit times and costs and to improve the statistical database regarding inter-country transit operations.

Central African Republic

10. The six Heads of State, members of the Central African Customs and Economic Union (UDEAC) agreed in 1994 to take measures to improve the current transit system in the subregion. The Central African Republic took the initiative to set up specific working groups to make recommendations regarding new arrangements to improve customs procedures and practices, the organization of the international road transport system, the transit bond guarantee system and the conditions of the vehicles involved in the transit operations.

Congo

11. The rehabilitation of the transit system is the priority area in the National Transport Plan of Congo. The Ministry of Transport and Civil Aviation has taken a number of measures to facilitate the procedures for the movement of transit cargo from the Central African Republic. This initiative is part of the support programme for the subregion, which is sponsored by the European Union and the World Bank.

Djibouti

12. The Djibouti Government is making efforts to develop its container terminal into a regional maritime facility for handling transit goods. In December 1993, the Government signed a convention in Addis Ababa to this effect. This convention outlines a number of facilitating measures, including tariff reduction for transit cargo. There are, however, still problems related to the poor implementation of agreed measures. Furthermore, the rail and road facilities leading to the port are inadequate. There is, therefore, a need for efficient multimodal transport systems that effectively link the port to the neighbouring countries.

Ghana

13. Ghana, as a transit country, has adopted a number of policy measures and initiated some actions to assist neighbouring land-locked countries. These include, inter alia, on-going internal consultations to simplify customs documentation and administrative procedures; the review of customs administrative charges on transit cargo; the allocation of adequate land to Mali and Burkina Faso for the development of facilities at the Tema Harbour; the development of an inland waterways transport facility as well as the construction and rehabilitation of relevant road linkages. Action is also being initiated to create a free port regime for the port of Tema that would facilitate the flow of transit traffic to the land-locked countries, and to develop an Electronic Data Interchange (EDI) system. An open-door policy has been pursued, aiming at liberalizing most of Ghana's economic activities including transport and communication services. Financial constraints on the implementation of most of the transport plans, cumbersome customs procedures and the absence of an institutional framework to monitor the implementation of bilateral agreements are the main obstacles to the development of the transit system.

LAO People's Democratic Republic

14. The Australian funded "Friendship Bridge" over the Mekong, which was opened in early 1994, is the first one to connect Thailand and the Lao People's Democratic Republic. Moreover, a series of meetings between the two countries are being conducted to enhance bilateral cooperation with respect to all forms of transport links. A memorandum on cooperation in communications for 1994 was signed between the Lao People's Democratic Republic and Viet Nam, which describes priority road connections between the two countries, in particular those allowing the Lao People's Democratic Republic to use the facilities in ports in Viet Nam. In January 1994, an agreement was also signed in Kunming between China, Myanmar, the Lao People's Democratic Republic and Thailand which will provide for two way-navigation on part of the Mekong river.

Malawi

15. The Malawi Government continues to participate, under regional arrangements like PTA and SADC, in transit traffic facilitation as well as entering into bilateral agreements. Malawi is committed to cooperating with its transit neighbours in removing problems related to poor formulation and weak monitoring of implementation and settlement of disputes with respect to such aspects as transit routes by rail, road and inland-waterways, customs documentation and procedures, bonding guarantee systems, storage facilities for goods in transit, road maintenance regimes, road user charges and procedures for clearing and forwarding. More specifically, Malawi has initiated action on a number of issues, such as, inter alia, the restructuring of the railways in an effort to move to a more aggressive market-oriented management, plans for the establishment of a road fund to be used specifically for the maintenance of the roads, the implementation of PTA harmonized transit charges, carrier licences, and harmonized axle-load limits, and a 24 hour-a-day service at the borders. Furthermore, with USAID assistance a national transport policy framework has been drafted, which aims at developing a coordinated transport system, in a market-oriented approach, and a sound base for the various carriers to provide reliable, efficient and economic services to the people. However, Malawi recognizes that there is an accute shortage of trained human resources in the country to meet the requirements of transit operations at all levels. Human resource development programmes are therefore a priority in the development of transport.

16. On the whole, Malawi feels that most of the recommendations of the Meeting of the Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions

held in May 1993 in New York are yet to be implemented. It is regrettable that some transit countries have not shown the appropriate willingness in that respect. Some countries have instituted stringent policies governing transit traffic to the detriment of the economies of land-locked countries. Lack of cooperative efforts on the part of some neighbouring transit countries and lack of commitment to the implementation of bilateral or regional agreements reached in the relevant institutional fora continue to be major impediments in the improvement of transit systems.

Mali

17. The Malian economy is heavily constrained by the high transit costs which it incurs on the movement of its import and export cargoes. These transport costs are estimated at 8 per cent of the GDP and they represent about 30 per cent of the total import costs. Mali has signed a number of bilateral and multilateral agreements with its neighbouring countries, including the TIE and TRIE Conventions (cf. paragraph 9 above). These agreements allow for the use of port facilities under the management of Malian agencies. Côte d'Ivoire and Senegal provide the port facilities for Malian cargo and special arrangements have been agreed upon with these transit countries with regard to customs documentation and procedures and other related facilities. It is important to note that, in response to General Assembly resolution 48/169, Côte d'Ivoire suspended the traditional payment of a special fee for the certificate that is required to accompany vehicles transporting transit goods to Mali (*Lettre de Voiture*). Furthermore, Mali established a national committee for the follow-up of the activities of the now terminated UNDP/UNCTAD subregional transit transport project. Mali also drew up an investment programme for the transport sector for the period of 1994-1998, for which donor financing is being sought.

Mongolia

18. Transit transport operations in Mongolia are governed by bilateral cooperation agreements with China, Kazakhstan and the Russian Federation. Mongolia initiated measures to enhance railway capacity. The Mongolia railway system, which covers 1,800 kms, plays an important role in the movement of transit cargo. Cargo to and from the Russian Federation and Europe is transported via a broad gauge line with no interruption along the routes; however, cargo to and from China and Asian countries needs transshipment. Mongolia is, therefore, taking measures to improve the transshipment facilities at the borders.

19. The implementation of the proposed project of Tumen River Economic Development Area (TREDA), in which Mongolia is participating, will enable Mongolia to use a new port on the Pacific Ocean via China. Furthermore, the planned construction of a more than 3,000 kms railway from the eastern frontier of Mongolia to the city of Biisk in the Russian Federation under the same project is expected to reduce the transit time considerably. A number of projects for upgrading transit roads are also under implementation. This includes a highway connecting the western region of the country with the Russian Federation and China.

Senegal

20. Senegal provides transit facilities for Mali's transit traffic. In order to facilitate the transit services for Malian goods, a bilateral treaty was signed with Mali related to international rail/road transit which will soon be ratified. At the subregional level, Senegal also signed the TRIE Convention within the framework of ECOWAS. It also holds regular consultations with its neighbouring countries with a view to streamlining transit formalities and procedures.

Swaziland

21. A multilateral agreement which has been concluded within the framework of the Southern African Customs Union has considerably facilitated the transit of goods through the Republic of South Africa, and the conclusion of an agreement with Mozambique is seriously being considered. Transit and international road routes and rail facilities in Swaziland are reasonably maintained and operated. Development of the transport sector is, however, being affected by scarce trained human resources and inefficient institutional capacities. A fairly adequate transit system exists in South Africa. However, the transit facilities in Mozambique are poor and not reliable. The corridor connecting Swaziland to the sea ports in Mozambique, which offers the potential for significant reduction in transit costs, is under-utilized at present. Technical assistance is required to facilitate discussions on various transit transport issues between Mozambique and Swaziland.

Uganda

22. Uganda's transit network includes the Northern and Central corridor transit axes. Mechanisms, such as the Joint Consultation Committees at the bilateral level between Uganda and each of the transit/land-locked countries, are in place to ensure that the relevant rules are implemented. Poor road infrastructure is no longer a problem for transit traffic through Uganda. There is need, however, to harmonize the regulations pertaining to inland waterways transport systems, especially for Lake Victoria. The Uganda Railways Co-orporation (URC) has adequate locomotives and general purpose wagons. Nevertheless, arrangements are under way to alleviate the situation relating to the lack of tankers and container wagons.

23. Issues pertaining to faster transit of goods across borders are being addressed through, inter alia, the creation of a modern customs facility at Malaba and the installation of the Advanced Cargo Information System (ACIS). The Government intends to set up an Inland Dry Port in Uganda, with a view to minimizing the delays associated with customs and clearance procedures.

24. Transport infrastructure rehabilitation and maintenance for the transit network is one of the major priorities in the Public Investment Programme in Uganda. Furthermore, the Government has reduced its intervention in transit transport operations as part of its policy to liberalize trade and transport.

Zambia

25. With regard to policies and actions to improve intraregional transit trade, Zambia supports the simplification and harmonization of customs and administrative documentation, including the implementation of the Road Customs Transit Document (RCTD), which is designed to facilitate and expedite road traffic operations. Zambia also attaches great importance to action by PTA and SADC member States in the following areas: rehabilitation and maintenance of the transport infrastructure, the establishment of dry-ports to speed up transit time, the implementation of the regional bond guarantee scheme, gradual relaxation of visa requirements, accession to the harmonized commodity description and coding system, lifting of export and import duties on transit traffic and the development of bonded warehouses.

B. Summaries of replies received from international organizations

Economic Commission for Africa (ECA)1/

26. Land-locked countries have benefited from specific action in the area of transport and communications to ease the flow of transit traffic at regional or subregional levels. Under the on-going project related to the Second United Nations Transport and Communications Decade in Africa (UNTACDA II) the ECA is

required to coordinate and facilitate the consolidation and establishment of a network of transport corridors through appropriate mix of transport modes, including those that serve the interests of land-locked countries. A survey of transit costs for transit transport is to be conducted on a subregional basis and various seminars in the field of road transport have been convened to help these countries in identifying the main problems associated with road deterioration and poor maintenance of truck and transit roads, as well as in strengthening human resources capabilities within the transport and communications sector. ECA has also prepared studies and technical publications on subjects such as the development of inland container terminals, the evaluation of railway transport services and the development of freight forwarding, which are being used by transit countries in the management and planning of their transit transport operations.

27. ECA is also carrying out activities which benefit land-locked countries in such fields as statistics and data processing, food and agriculture, industry and human settlements, marine affairs, water and energy resources.

Economic Commission for Europe (ECE)2/

28. The Economic Commission for Europe plays an important role in trade and transport facilitation. Its work in this area involves the development of legal instruments governing international transport of goods and passages of vehicles.

29. With regard to the international transport of goods, ECE has played a key role in putting in place various international conventions and agreements that regulate rail traffic and international road traffic. A range of procedures for temporary importation, transport of dangerous goods and for border controls of goods have also been developed. The border controls of goods is regulated by the International Convention on the Harmonization of Frontier Controls of Goods. The Convention covers areas such as customs procedures and other controls, medico-sanitary inspections, veterinary inspection and phyto-sanitary inspection.

30. The facilitation of the passage of road vehicles is governed by international conventions which are supplemented by bilateral agreements. The regulatory measures of this legal regime cover road permits and quotas, temporary importation of vehicles, international motor vehicle insurance, and taxation of road vehicles in international traffic.

31. International transport operations in Europe are regulated by two European Agreements on Road Traffic and on Road Signs and Signals. In addition to these agreements, a large number of multilateral agreements facilitate international road transport in Europe and are concerned, inter alia, with transport documents, liability of road carriers, and civil liability for damages caused during the carriage of dangerous goods. Furthermore, three multilateral infrastructure agreements have been negotiated between the European Governments to facilitate cooperation and coordination among them with regard to the development of homogeneous transport infrastructure. These legal transport systems in Europe constitute useful models, which can be adapted in developing countries.

Economic Commission for Latin America and the Caribbean (ECLAC)3/

32. The Economic Commission for Latin America and the Caribbean (ECLAC) supports South America's two landlocked countries - Bolivia and Paraguay - in their efforts to improve transport and customs transit facilities across neighbouring countries for access to seaports. ECLAC's assistance in this area is carried out both at a multilateral and bilateral level. Bolivia in particular has been the recipient of such assistance. ECLAC recently collaborated with UNCTAD in preparing a proposal to install the rail component (RailTracker) of UNCTAD's Advanced Cargo Information System (ACIS) to handle traffic between Arica (Chile) and La Paz. Bolivia and Chile are currently seeking financing for this project. In the other two cases, ECLAC helped Bolivia to formulate and negotiate

separate agreements with Chile and Peru to facilitate transit operations to and from certain ports on the Pacific Ocean. These operations are carried out within the framework of the "Integrated Transit System" (SIT), whereby goods imported to Bolivia through Chile or Peru can automatically be transshipped to the railways for onward movement without additional customs procedures.

Economic and Social Commission for Asia and the Pacific (ESCAP)4/

33. There are all together 12 land-locked countries in the ESCAP region, namely: Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Mongolia, Nepal, Tajikistan, Turkmenistan, and Uzbekistan. The efforts of the ESCAP secretariat to assist the land-locked and transit countries of the region have been mainly focused on land transport, transit arrangements, environment and natural resource management, technical development and trade promotion. In order to further enhance the trade of its member countries within and outside the region, the ESCAP secretariat promotes regional and subregional cooperation for the development of land transport infrastructure in Asia, including land-locked countries. In this regard, the proposed project on Asian Land-locked Transport Infrastructure Development (ALTID) is expected to make a major contribution to the development of transport infrastructure in the region.

34. Resolution 48/11 adopted by the Commission recommended the accession of all its members to major international conventions in the field of transport facilitation. Regarding facilitation of rail freight traffic, the ALTID project will focus not only on the southern route linking Europe and South East Asia but also on the northern route providing a Europe-Asia transport alternative with a competitive edge over the existing sea transport routes. It is planned that this railway line will be operational by 1997.

35. A number of land-locked and transit countries of the region are signatory to several international conventions on transit traffic such as the Convention and Statute on Freedom of Transit and the Convention on Transit Trade of Land-locked States. Bilateral transit agreements also exist between some of the land-locked countries of the region and their transit neighbours. The development of a regional transit treaty that could be used as a model by all countries could further improve the transit system. In this connection, the ESCAP secretariat is exploring the possibility of assisting interested countries in developing such an agreement.

36. ESCAP activities also focus on problems confronting the land-locked countries regarding the development of food processing, in particular deficiencies in the storage and transport systems. Technical assistance for trade promotion of the land-locked countries has traditionally been accorded priority attention in the secretariat's mandate relating to international trade.

International Telecommunication Union (ITU)

37. The International Telecommunication Union is aware of the communication needs of the land-locked developing countries, particularly their national and external telecommunication needs for overall development in general and for the enhancement and management of transport systems in particular. In Africa, the Pan African Telecommunication Network (PANAFTEL) was developed to facilitate intra-African communication and trade and any telecommunication links between land-locked countries and their neighbours with access to the sea. The network provided very useful services in managing and controlling these systems. Telecommunication facilities of all sorts are therefore of great value to land-locked countries.

United Nations Development Programme (UNDP)5/

38. The transit transport systems of the land-locked developing countries can only be effectively improved with the cooperation of transit countries. Any proposed changes in transit systems must, therefore, take into consideration the interest of both the land-locked and the transit countries concerned. UNDP's support to land-locked and transit countries is at country or regional level, with capacity-building as the overriding strategic objective of such support. Most national projects and programmes financed by UNDP in the land-locked countries directly or indirectly take into account the particular geographical difficulties of these countries.

The World Bank6/

39. Since the World Bank is already active in many of the land-locked developing countries, it has the potential to play an important role in successfully contributing to the development of the transport systems of these countries, particularly with regard to the facilitation of access to import and export markets. The Bank's basic operational goals of poverty alleviation and food security are dependent on improving the reliability of transit operations. While the Bank has no policy specifically addressing the problems of land-locked countries, most relevant issues are covered in broader policies related to transport and trade facilitation, and fall within the broader approach encouraging a broader commercial orientation and promoting competitiveness in transport services. The Bank has undertaken a number of regional studies aimed at gaining a better understanding of the magnitude of the problems in land-locked developing countries and enhancing efforts to facilitate regional trade development. On the operational level, it has approved several projects in Africa which put special emphasis on linking up land-locked developing countries with their transit neighbours.

C. Summaries of replies received from intergovernmental organizations

African Development Bank7/

40. The Bank has not yet elaborated any specific policy with respect to land-locked and transit countries. However, given that 15 countries out of the Bank's 51 regional member countries are land-locked countries, the Bank has, since its establishment, provided support to the land-locked and transit countries, by financing projects and studies related to transport infrastructure. Particular reference should be made to the Bank's support to the United Nations Transport and Communications Decade in Africa and to the establishment of a reform programme for the Customs and Economic Union of Central Africa (UDEAC). With regard to the future, the Bank will provide special support to private, public and semi-public transport companies whose activities promote the process of economic integration in the region.

Asian Development Bank

41. In the formulation of transport and communications projects, the problems of land-locked developing countries members of the Bank have always been taken into account. In Nepal and Mongolia, the Bank has supported the air transport sector. The Bank also assisted Mongolia in strengthening its international telecommunications links. Through a regional technical assistance for six countries of the greater Mekong subregion, the Bank has identified priority projects to improve transportation among these countries.

42. The Bank's future assistance strategy is to continue its past emphasis on regional cooperation among the member States. Furthermore, the Bank supports the establishment of an effective legal and regulatory framework to govern the

development and improvement of transport and communications infrastructure. Future bank assistance to land-locked countries will also include the support for the development of harmonized systems of procedures for handling transit cargo.

Economic Community of West African States (ECOWAS)

43. One of the main objectives of ECOWAS is to put in place an integrated, coordinated, efficient and responsive transit system within the Community which should meet the long-term needs for socio-economic development of the subregion. The weak implementation and reinforcement of agreed protocols, however, is a major impediment in improving transit systems. For example, it has been observed that agreed customs procedures related to the Protocol on Inter-State Road Transit (ISRT) are not followed and, as a result, there are increased delays in the movement of cargo. With respect to the guarantee mechanism for inter-State road transit of goods established by the Commmunity, which is aimed at reducing costs and solving the problems related to the escort for vehicles in transit, the Executive Secretariat of ECOWAS has mounted a campaign directed at national administrations and economic operators, with a view to achieving effective application by all member States of the mechanism. As for the single road transport document valid for movement across several countries, the poor coordination of multiple enforcement measures and the frequent violations of the provisions of the agreement by transport operators are still major constraints in the effective implementation of the document.

International Civil Aviation Organization (ICAO)

44. The UNDP/ICAO regional project for Asia and the Pacific (RAS/93/032), scheduled to be implemented in 1996, will benefit the land-locked countries of the region. Although there is considerable scope for the development of air freight in these countries, there are still a range of difficulties hindering the full development of an efficient air freight system. These include: unsuitable, old, or uneconomical aircraft utilized for air freight; absence of bilateral air transport agreements; inefficient ground facilities; under-developed organization and management capabilities for marketing and air freight activities; large imbalance between volume of imports and exports; and lack of coordination and cooperation between neighbouring countries with respect to air freighting.

Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR)

45. MINCONMAR's maritime policy gives special attention to the particular needs of the land-locked member countries, particularly with respect to transit matters. An ad hoc commission was set up in October 1979 to study the constraints of land-locked countries. Recommendations have been made by the ad hoc Commission regarding, inter alia, the issue of preferential freight rates for land-locked countries, the participation of these countries in port activities and the establishment of institutional bodies such as "shippers councils" and the simplification of the administrative and customs procedures. However, inadequate support by the donor community has made the implementation of the above initiatives difficult. In this regard it is also noted that the UNDP/UNCTAD transit transport project, which was heavily involved in improving the transit systems in the subregion, has had to be discontinued for lack of donors' support.

Permanent Secretariat of the Transit Transport Co-ordination Authority of the Northern Corridor

46. The Authority's policy with regard to infrastructure includes the enforcement of axle load limits for transit vehicles; more extensive use of rail

for transit traffic; the establishment of Inland Container Depots (IDCs); and the improvement of road safety on transit routes. So far as the non-physical aspects of transit transport are concerned, efforts are being made to reduce transit costs and transit time by the formulation and follow-up of a number of measures with regard to customs formalities for containers, harmonization of working hours and joint controls at transit adjacent customs posts. Improvement of the efficiency of the Road Customs Transit Document (RCTD) is also sought. Furthermore, the abolition of other administrative and statutory impediments to the free flow of transit traffic - such as high transit taxes, police escorts, and reduced permissible transit time - are among the major objectives of the work of the Co-ordination Authority. The Authority has also initiated measures to develop and improve lake traffic operations, and the training for the various groups of operators involved in transit transport.

Preferential Trade Area for Eastern and Southern African States

47. The original objective of integrating the socio-economic fabric of the PTA through transport and communications continues to be of high priority in the 1990s and beyond, as enunciated in the PTA Trade and Development Strategy adopted by the Tenth Summit of the PTA Authority in January 1992. Between 1982 and 1992, substantial progress has been achieved in rehabilitating and upgrading transport and commiunication infrastructures that had become unserviceable.

48. Poor road conditions are primarily responsible for high operating costs. However, the efficiency of the industry could be substantially improved by: improving the availability of vehicles and spare parts, improving access to commercial credit, and reducing government regulations and restrictions on market entry. In most member countries of the PTA, priority is traditionally given to the construction of new roads rather than the maintenance of existing ones. A large part of the network can be saved at a reasonable cost if timely periodic maintenance is undertaken.

49. The PTA programmes on insurance, the use of the single Road Customs Transit Declaration Document (RCTD), the enforcement of standards for axle load limits, the harmonization of road user charges, and the liberalization of the commercial trucking industry have significantly reduced transit related costs and facilitated the movement across frontiers of vehicles and persons.

50. The strategy for the revival of railways focuses on institutional and policy reforms, which include, among others, granting by governments of managerial and commercial autonomy to railways. In the PTA railways strategy for the 1990s and beyond priority is given to the development of railways as the main mode of transport. With respect to multimodal transport, priority is being accorded to investments in appropriate technology that will facilitate the development of containerization. The potential to improve inland water-ways transport faces a host of difficulties which make it expensive and inefficient. This is due to lack of policy co-ordination among bordering countries for the development of waterways. Following a recommendation by the PTA secretariat, four permanent technical committes were established to propose and implement joint regional transport programmes including those related to inland waterways development.

D. Conclusions

51. The replies summarized in this document came from individual countries, United Nations Economic Commissions and specialized agencies as well as from intergovernmental organizations. Although a much larger number of replies would have been desirable in order to draw firm conclusions, these replies do make general observations which are relevant to the basic issues and problems of transit transport.

52. The replies clearly underline the fact that rail and road services are particularly relevant for transit transport operations. Although physical infrastructure development remains a priority concern for many countries, the removal of non-physical barriers to the smooth movement of transit cargoes is assuming significant importance in the formulation of transit transport policies. This relates largely to the simplification and harmonization of customs and administrative procedures in ports and along the transit transport corridors, as well as to the simplification of other controls for the movement of cargo. Furthermore, railways are now being required to operate more on the basis of commercial criteria. Inter-railway co-operation arrangements are also being increasingly promoted. Investments in road transport infrastructure are directed more towards maintenance than to construction of new roads. Road users are having to make a greater contribution towards the cost of construction and maintenance of roads through the introduction of road user charges.

53. Inter-State cooperation is considered essential for efficient transit transport operations. Bilateral agreements have been the most common instruments for such co-operation. In addition, in Africa, regional agreements within the context of regional integration schemes such as ECOWAS, PTA and UDEAC have been a major vehicle for promoting cooperative arrangements. The need to ratify international conventions related to transit transport has been recognized, but few countries in Africa, Asia and Latin America have become parties thereto. The scope and content of regional agreements in the framework of ECOWAS and PTA have encompassed broad issues in transit transport, including commitments relating to common road standards, permissible axle load limits, international customs transit regimes and institutional arrangements.

54. On the whole, the implementation of agreed regional standards and practices has been unsatisfactory because of the lack of adequate mechanisms to monitor and enforce the agreed rules and practices. The Northern Corridor Transit Agreement (NCTA) which sets out the terms and conditions for the use of the transit corridor from Mombasa, Kenya, to the land-locked countries of Uganda, Rwanda and Burundi is, perhaps, the most successfully implemented agreement. The agreement created a small secretariat which has been active in reviewing problems arising from implementation of the NCTA and assisting member States to resolve them. Technical assistance from UNCTAD and other international agencies is generally viewed as a critical support measure to improve the efficiency of transit transport operations. The replies from agencies have underlined the continued importance of such assistance.

Notes

1/ The full text of the reply has been issued in UNCTAD/LDC/Misc.30

2/ The full text of the reply has been issued in UNCTAD/LDC/Misc.34

3/ The full text of the reply has been issued in UNCTAD/LDC/Misc.28

4/ The full text of the reply has been issued in UNCTAD/LDC/Misc.27

5/ The full text of the reply has been issued in UNCTAD/LDC/Misc.35

6/ The full text of the reply has been issued in UNCTAD/LDC/Misc.31

7/ The full text of the reply has been issued in UNCTAD/LDC/Misc.33

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OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-eighth session

Note by the UNCTAD secretariat

Attention is drawn to the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-eighth session (ITC/AG(XXVIII)/150 and Add.1), held from 29 May to 2 June 1995.

Information is contained in the annotations to item 6(a) in document TD/B/41(1)/1.

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OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

Progressive development of the law of international trade: twenty-eighth annual report of the United Nations Commission on International Trade Law

Note by the UNCTAD secretariat

Attention is drawn to the report of the United Nations Commission on International Trade Law on the work of its twenty-eighth session, held in Vienna from 2 to 26 May 1995 (A/50/17).

As provided in section II, paragraph 10, of General Assembly resolution 2205 (XXI), the report is being submitted to the Trade and Development Board for comments or recommendations.

Copies of the report will be made available, in each language version received, to participants in the Board, in limited quantities.

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